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FEGLI FEDERAL EMPLOYEES' GROUP LIFE INSURANCE

Life Insurance Beneficiary Forms - SF2823

By Christine Fleming

At some point throughout your federal career, you will probably desire to change your beneficiary(s) for your Federal Employees Group Life Insurance (FEGLI). The appropriate form for establishing or changing the beneficiary(s) is the Standard Form 2823. For the most part, the form is easy to complete and self-explanatory. However there are a few items on the form that frequently generate questions from employees.

The form asks whether or not you have elected Living Benefits. A Living Benefit is a payment to those who are terminally ill and have a documented medical prognosis showing a life expectancy of no more than nine months. This payment would be made prior to death and might commonly be used to pay medical expenses that have accumulated during the illness.

You are also required to check a block that states that you have not “assigned” your insurance. "Assignment" means that you give ownership and control of your Basic, Option A, and/or Option B life insurance coverage to someone else. This means that the money goes to the assignee, or the assignee's beneficiary(s) when you die. The insurance is still on your life and you must continue to pay for the coverage, but someone else “owns” and controls your coverage. Therefore, if you have assigned your insurance you are not permitted to name a beneficiary since you are no longer the “owner” of the insurance.

The SF2823 can be obtained at the CPAC or can be requested from the Army Benefits Center. You must complete the form, obtain signatures from two witnesses and send the form to the CPAC. After the CPAC receives the form, it will be forwarded to the North Central CPOC for inclusion in your Official Personnel Folder and a copy returned to you.

For more information about FEGLI beneficiaries, Living Benefits, and assignment, please visit the Office Of Personnel Management's website @ www.opm.gov/insure/life or the Army Benefits Center website @ www.abc.army.mil.

DESIGNATION OF BENEFICIARIES AND REQUIRED FORMS

Lisa Eberly

Are you sure that if you die, any money payable would be paid to the person you want? If there is no designated beneficiary surviving or you did not designate a beneficiary, the benefits will be paid in the following order of precedence:

*Your widow or widower.

*Your child or children in equal shares, with the share of any deceased child distributed among the descendents of that child.

*Your parents in equal shares or the entire amount to the surviving parent.

*The duly appointed executor or administrator of your estate.

*Your next of kin under the laws of your domicile at the time of your death.

BENEFICIARY FORMS & THEIR DISPOSITION

SF-1152 – Designation of Beneficiary- Unpaid Compensation of Deceased Civilian Employee: This form is to name the person(s) you want to receive your unpaid salary and lump sum annual leave payable if you die. Send both original and copy to CPAC. Copy will be returned to you after certification, original will be filed in your personnel folder at the CPOC.

SF-2808 - CSRS-Designation of Beneficiary: This form tells the Office of Personnel Management whom to pay your contributions in the CSRS Retirement Fund. Send both original and copy to Office of Personnel Management. (Address is on form). OPM returns a copy to you after certification.

SF-3102 – FERS-Designation of Beneficiary: This form tells the Office of Personnel Management whom to pay your contributions in the FERS Retirement Fund. Send both original and copy to CPAC. Copy will be returned to you after certification, original will be filed in your personnel folder at the CPOC.

NOTE: If you filed a designation of beneficiary form under CSRS and later transferred to FERS, you must file a new designation under FERS.

SF-2823 – Designation of Beneficiary-Federal Employees' Group Life Insurance Program: This form designates the person(s) to receive your FEGLI benefits, both standard and any optional coverage(s) in which you are enrolled. Send both original and copy to CPAC. Copy will be returned to you after certification, original will be filed in your personnel folder at the CPOC.

TSP-3 – Thrift Savings Plan: This form is for your Thrift Savings Plan and is used to designate how you want your TSP account paid out if you die. Keep a copy for your files and mail the original to the Thrift Savings Plan Service Office. The address is on the form.

IMPORTANT THINGS TO REMEMBER!

If you are not sure what you've filled out in the past, fill out a new form.

In order for a designation to be valid, the designation must be signed by you, witnessed in writing by two persons, neither of who is a beneficiary; and received by the CPAC, OPM, or TSP Service Center before your death.

A designation of beneficiary is automatically cancelled 31 days after you cease to be insured. Transferring from one agency to another does not affect your designations.

The assumption that if you divorce and/or remarry the designation of beneficiary is automatically changed is wrong. A beneficiary who was designated previously remains in effect until the designation is cancelled or superseded.

The fact that you have a will does not determine who receives Federal benefits, unless an executor named in your will is either designated as your beneficiary or is entitled to receive the benefits under the Federal Order of Precedence.

SF Forms are available for download at OPM's web site http://www.opm.gov

TSP –3 Form is available for download at http://www.tsp.gov

EMPLOYEES MUST CATCH TSP ERRORS, NEW RULE SAYS

Debra Jefferson

Federal employees are responsible for catching errors in their Thrift Savings Plan accounts, a new rule for the 401k-style investment plan reminds employees.

The Federal Retirement Thrift Investment Board, which runs the TSP, issued a final regulation reminding employees that the onus is on them to spot errors that affect how their money is invested. The regulation adjusts some procedures and the time frames for fixing errors.

“Just as users of commercial services are expected to review statements recording transactions in their accounts and to assert their rights in the event of an error, so are TSP participants,” the board’s regulation said.

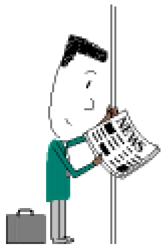
Errors can happen when employees shift their money among the TSP’s three investment options, a transaction known as an interfund transfer, or when employees change the way future TSP contributions are allocated among the three options, known as a contribution allocation.

When employees make either of those changes, they receive a notice confirming that the transaction took place. Employees also get regular statements of account activity, which can tip employees off to mistakes in interfund transfers and contributions allocations.

Employees should review confirmation notices and statements as soon as possible for such errors. You have 30 days from the date you receive the notice or statement to file a correction request. “Application of a 30-day time limit for (mandatory) correction will require a participant to be vigilant in assuring his or her instructions have been carried out correctly; it will also prevent a participant from using extended hindsight to decide whether to request a correction,” the regulation says.

Employees have more time to demand a correction if their agency puts the wrong amount of money in their TSP accounts. In such cases, the regulation gives employees six months to file a correction request.

The new regulation appeared in the Federal Retirement Thrift Investment Board's section of the March 12 Federal Register.



U.S. Office of Personnel Management
Federal Retirement Programs.

REVISED ATTACHMENT TO SF-2801, APPLICATION FOR IMMEDIATE RETIREMENT

Debra J. Jefferson

The Office of Personnel Management will be revising the SF-2801, Application for Immediate Retirement. This change will clearly inform the spouses of retiring Federal employees of the two requirements to continue coverage under the Federal Employees Health Benefits (FEHB) Program if the retiree dies. The spouse must:

Be eligible for a survivor annuity under a qualifying civilian retirement system for Federal employees, and be covered under the retiree's FEHB self and family enrollment.

These are the eligibility requirements for a survivor to continue FEHB coverage based on the deceased retiree's enrollment.

The revision of the SF-2801 clarifies that the spouse's consent to NO survivor annuity makes him or her ineligible to continue FEHB coverage.

FERCCA – Federal Erroneous Retirement Coverage Correction Act (FERCCA)

By Joyce Voynick

You may have noticed for the last several pay periods that there has been a statement on your leave and earnings statement regarding FERCCA.
FERCCA was created to correct errors when employees were put in the wrong retirement plan. If you have not worked continuously for the Federal government since 1983, or have had changes in appointment types and retirement plans, you may want to go to the

web site listed on your leave and earning statement:
www.cpms.osd.mil/fas/benefits/fercca/htm

You can find which retirement plan you are currently in by looking in block 30 of Notification of Personnel Actions (SF50). Code 1 or 6 indicates a Civil Service Retirement Plan (CSRS), code C or E indicates CSRS Offset, code 2 is social security only, and codes K, L, M, or N indicate Federal Employees Retirement Systems (FERS).

You may be affected by FERCCA if you have been in the wrong retirement system for AT LEAST three years AFTER 31 December 1986, even if the error was corrected, as long as the error was in effect for three years. If you were incorrectly in the FERS and choose to leave FERS, FERCCA permits you to keep the employee contributions you made to TSP, even if the contributions exceed 5%; however, all the agency contributions and earnings attributed to these earnings will be removed from your TSP account.

Conversely, if you choose FERS under FERCCA you can make up the employee contributions you could have made if you had been in FERS. You will also receive the agency 1% contribution, and any matching agency contributions you would have received, and any lost earnings on both the employee and agency contributions.

Field Advisory Service has a self-test to help you determine your status, it can be found at: www.cpms.osd.mil/fas/benefits/pdf/self_test.htm Also, the Office of Personnel Management (OPM) has a web site with frequently asked questions for FERCCA at www.opm.gov/benefits/correction/faq.htm and OPM also has two email subscriptions you can join if you would like to receive additional information on this topic. The email address for the subscription site is www.opm.gov/beneifts/correction/listserv.htm

FERS Basic Employee Death Benefit Increase

Swan Wilkerson

When a FERS Basic employee dies, a surviving spouse (or former spouse) may be eligible for a death benefit called The Basic Employee Death Benefit. In addition to your basic and/or optional insurance, this benefit is an amount equal to 50 percent of the employee's final annual pay (or average pay if higher), plus a dollar amount that is adjusted for inflation. For deaths that occur on or after December 1, 2000, and before December 1, 2001, the dollar amount is now $23,386.98.

If you had 10 years of service, your spouse also receives an annuity equaling 50% of your accrued basic retirement benefit. These benefits are paid in addition to any Social Security, Group Life Insurance or Savings Plan Survivor benefits.